

Deutsche Bank (Malaysia) Berhad
(Company No. 312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Unaudited Condensed Interim Financial Statements
- 31 March 2011

Domiciled in Malaysia
Registered office
Level 18, Menara IMC
No. 8 Jalan Sultan Ismail
50250 Kuala Lumpur

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011 - UNAUDITED

	Note	Group		Bank	
		31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Assets					
Cash and short term funds		4,681,924	5,405,903	4,681,924	5,405,903
Securities purchased under resale agreements		4,244,144	2,764,327	4,244,144	2,764,327
Financial assets held-for-trading	12	1,642,587	1,113,962	1,642,587	1,113,962
Financial investments available-for-sale	13	8,968	9,064	8,968	9,064
Loans, advances and financing	14	747,680	750,402	747,680	750,402
Other assets	15	2,279,392	1,783,996	2,279,392	1,783,996
Statutory deposit with Bank Negara Malaysia		5,851	225	5,851	225
Investments in subsidiary companies		-	-	20	20
Property, plant and equipment		3,175	3,509	3,175	3,509
Deferred tax assets		49,598	55,555	49,598	55,555
Total assets		<u>13,663,319</u>	<u>11,886,943</u>	<u>13,663,339</u>	<u>11,886,963</u>
Liabilities and shareholders' funds					
Deposits from customers	16	5,787,088	5,510,903	5,787,108	5,510,923
Deposits and placements of banks and other financial institutions	17	1,543,894	1,265,895	1,543,894	1,265,895
Obligations on securities sold under repurchase agreements		2,856,179	1,711,212	2,856,179	1,711,212
Other liabilities	18	2,059,524	2,024,074	2,059,524	2,024,074
Taxation		24,551	33,732	24,551	33,732
Total liabilities		<u>12,271,236</u>	<u>10,545,816</u>	<u>12,271,256</u>	<u>10,545,836</u>
Share capital		173,599	173,599	173,599	173,599
Reserves		1,218,484	1,167,528	1,218,484	1,167,528
Shareholders' funds		<u>1,392,083</u>	<u>1,341,127</u>	<u>1,392,083</u>	<u>1,341,127</u>
Total liabilities and shareholders' funds		<u>13,663,319</u>	<u>11,886,943</u>	<u>13,663,339</u>	<u>11,886,963</u>
Commitments and contingencies	25	<u>115,131,777</u>	<u>107,909,542</u>	<u>115,131,777</u>	<u>107,909,542</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2010.

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011 - UNAUDITED

	Note	Group and Bank			
		1 st Quarter Ended 31 March 2011 RM'000	31 March 2010 RM'000	Three Months ended 31 March 2011 RM'000	31 March 2010 RM'000
Interest income	19	74,723	44,040	74,723	44,040
Interest expense	20	(34,950)	(20,019)	(34,950)	(20,019)
Net interest income		39,773	24,021	39,773	24,021
Net income from Islamic Banking Operations	26	381	240	381	240
Non-interest income	21	61,076	55	61,076	55
Operating income		101,230	24,316	101,230	24,316
Other operating expenses	22	(31,872)	(29,664)	(31,872)	(29,664)
Operating profit / (loss)		69,358	(5,348)	69,358	(5,348)
Allowance for impairment on loans, advances and financing	23	198	483	198	483
Profit / (loss) before taxation		69,556	(4,865)	69,556	(4,865)
Tax expense		(18,528)	505	(18,528)	505
Net profit / (loss) for the period		51,028	(4,360)	51,028	(4,360)
Other comprehensive (expense)/ income, net of tax					
Fair value of financial investments available-for-sale		(72)	1,146	(72)	1,146
Other comprehensive (expense)/ income for the period, net of tax		(72)	1,146	(72)	1,146
Total comprehensive income / (expense) for the period		50,956	(3,214)	50,956	(3,214)
Earnings per share (sen)		29.4 sen	-2.5 sen	29.4 sen	-2.5 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2010.

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011

	<----- Attributable to equity holders of the Bank ----->					
	Share capital RM'000	<--Non-distributable--> Share premium RM'000	Other reserves RM'000	Distributable Retained profits RM'000	Total reserves RM'000	Total RM'000
Group and Bank						
At 1 January 2011	173,599	357,763	178,975	630,790	1,167,528	1,341,127
Net profit for the period	-	-	-	51,028	51,028	51,028
Other comprehensive expense	-	-	(72)	-	(72)	(72)
Total comprehensive (expense) / income for the period	-	-	(72)	51,028	50,956	50,956
At 31 March 2011	173,599	357,763	178,903	681,818	1,218,484	1,392,083
At 1 January 2010	173,599	357,763	177,575	489,958	1,025,296	1,198,895
Net loss for the period	-	-	-	(4,360)	(4,360)	(4,360)
Other comprehensive income	-	-	1,146	-	1,146	1,146
Total comprehensive income / (expense) for the period	-	-	1,146	(4,360)	(3,124)	(3,214)
At 31 March 2010	173,599	357,763	178,721	485,598	1,022,082	1,195,681

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2010.

DEUTSCHE BANK (MALAYSIA) BERHAD
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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011

	Group and Bank	
	31 March	31 March
	2011	2010
	RM'000	RM'000
Profit before taxation	69,556	(4,865)
Adjustments for non-operating and non-cash items	396	1,243
	<hr/>	<hr/>
Operating profit before working capital changes	69,952	(3,622)
Changes in working capital:		
Net changes in operating assets	(2,506,742)	(2,807,059)
Net changes in operating liabilities	1,734,602	1,200,143
Income tax paid	(21,728)	(11,497)
	<hr/>	<hr/>
Net cash generated from operations	(723,916)	(1,622,035)
	<hr/>	<hr/>
Net cash used in investing activities	(63)	(10)
	<hr/>	<hr/>
	(63)	(10)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(723,979)	(1,622,045)
Cash and cash equivalents at beginning of the period	5,405,903	4,393,420
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	4,681,924	2,771,375
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Cash and short-term funds	4,681,924	2,771,375
	<hr/>	<hr/>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2010.

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
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AND ITS SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2011

1. Basis of preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2011 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The unaudited interim financial statements have been prepared in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia's Guidelines on Financial Reporting for Banking Institutions. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2010.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business. Islamic banking business refers generally to the acceptance of deposits under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), IC Interpretations and Technical Release(TR):

- FRS 1, *First-time Adoption of Financial Reporting Standards*
- FRS 3, *Business Combinations*
- FRS 127, *Consolidated and Separate Financial Statements*
- Amendments to FRS 7, *Improving Disclosures about Financial Instruments*
- Amendments to FRS 132, *Financial Instruments: Presentation - Classification of Rights Issues*
- IC Interpretation 12, *Service Concession Arrangements*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 4, *Determining Whether an Arrangement contains a Lease*
- Amendments to FRS 1, *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters*
- TR i-4, *Shariah Compliant Sale Contracts*
- Improvements to FRSs (2010)

1. Basis of preparation (continued)

The adoption of Amendments to FRS 7 and Amendments to FRS 132 did not impact the financial results of the Group and of the Bank, as the changes introduced are presentational in nature. The adoption of the other FRSs, Amendments to FRSs, IC Interpretations and Technical Release above generally did not have any material impact on the financial results of the Group and the Bank, as they mainly deal with accounting policies affecting transactions which do not form part of the Group and the Bank's normal business operations or transactions where the Group or the Bank only has minimal exposure.

The following FRS and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group and the Bank:

Effective for annual periods commencing on or after 1 July 2011:

IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*

Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirements*

Effective for annual periods commencing on or after 1 January 2012:

FRS 124, *Related Party Disclosures*

IC Interpretation 15, *Agreements for the Construction of Real Estate*

2. Audit report

The audit report on the audited annual financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

3. Seasonality or Cyclical of Operations

The business operations of the Group and the Bank are not subject to material seasonal or cyclical fluctuations.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the first financial quarter ended 31 March 2011.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the first financial quarter ended 31 March 2011.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the first financial quarter ended 31 March 2011.

7. Dividend Paid

No dividend was paid during the first financial quarter ended 31 March 2011.

8. Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the first financial quarter ended 31 March 2011.

10. Review of Performance

The Bank recorded profit before taxation for the first quarter ended 31 March 2011 of RM69.6 million compared to RM 4.9 million losses for the same corresponding period previous year . Operating income increased by RM76.9 million from RM24.3 million to RM101.2 million whilst operating expenses increased marginally by RM2.2 million attributed to higher inter-company expenses and personnel cost during the financial period.

Total assets registered an increase of RM 1.8 billion or 14.9% from RM11.9 billion to RM13.7 billion at 31 March 2011. The Bank’s core capital ratio and risk weighted capital ratio remained strong at 15.36% and 15.65% respectively.

11. Prospects

The pick-up in the global and Malaysian economies continue to gain momentum in 2011, with GDP growth for Malaysia forecasted to be in the region of 5.2% year-on-year.

The Bank's strategy remains steadfastly focused on the key business areas of Global Markets and Global Banking. In addition, we intend to capitalize on the momentum gained from our accomplishments and continue to solidify our Islamic Banking franchise by leveraging on our global franchise, international product platform and network in 2011 and beyond. Our strong client focus and drive to deliver comprehensive and innovative end-to-end solutions will continue to differentiate us and secure our position as a top-tier corporate and investment bank for clients in the local market.

The Bank will continue to manage capital efficiently to support business growth. Our ongoing business process reengineering efforts are expected to further improve operational efficiency in 2011.

12. Financial assets held-for-trading

	Group and Bank	
	31 March 2011	31 December 2010
At fair value	RM'000	RM'000
Malaysian Government Securities	554,267	476,212
Malaysian Investment Issue	21,112	4,041
Bank Negara Malaysia Bills	375,355	396,933
Cagamas bonds	6,534	6,534
Private debt securities	242	242
Negotiable instruments of deposit	685,077	230,000
	1,642,587	1,113,962
	=====	=====

13. Financial investments available-for-sale

	Group and Bank	
	31 March 2011	31 December 2010
At fair value	RM'000	RM'000
Quoted securities	7,377	7,473
Unquoted securities	1,591	1,591
	8,968	9,064
	=====	=====

14. Loans, advances and financing

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
At amortised cost		
Overdrafts	71,541	95,519
Term loans - housing loans	30,844	31,934
- other term loans	132,145	122,426
Bills receivable	66,140	54,249
Claims on customers under acceptance credits	471,085	471,361
Staff loans	3,509	3,554
	<u>775,264</u>	<u>779,043</u>
Unearned interest	(417)	(1,276)
	<u>774,847</u>	<u>777,767</u>
Gross loans, advances and financing	774,847	777,767
Allowance for impaired loans and financing		
- Collective assessment	(23,946)	(23,946)
- Individual assessment	(3,221)	(3,419)
	<u>747,680</u>	<u>750,402</u>
Net loans, advances and financing	<u>=====</u>	<u>=====</u>

The maturity structure of gross loans, advances and financing are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Maturing within one year	732,884	738,584
One year to three years	5,533	809
Three years to five years	4,099	4,946
Over five years	32,331	33,428
	<u>774,847</u>	<u>777,767</u>
	<u>=====</u>	<u>=====</u>

14. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by type of customer are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Domestic business enterprises - others	681,132	692,269
Individuals	34,379	35,524
Foreign entities	59,336	49,974
	<u>774,847</u>	<u>777,767</u>
	=====	=====

Gross loans, advances and financing analysed by interest / profit rate sensitivity are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Fixed rate		
- Other fixed rate loan / financing	3,509	3,554
Variable rate		
- Base lending rate plus	63,298	77,265
- Cost-plus	708,040	696,851
- Other variable rates	-	97
	<u>774,847</u>	<u>777,767</u>
	=====	=====

Gross loans, advances and financing analysed by their geographical distribution are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Malaysia	715,511	727,793
Thailand	-	-
India	24,410	27,202
Other countries	34,926	22,772
	<u>774,847</u>	<u>777,767</u>
	=====	=====

14. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by their economic purposes are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Mining	1,317	355
Manufacturing	457,014	426,620
Electricity, gas and water	4,898	7,102
Construction	43,330	39,381
Purchase of landed property:		
- Residential	33,812	34,883
Wholesale & retail trade and restaurants & hotels	120,607	151,122
Finance, insurance and business services	112,297	116,208
Purchase of transport vehicles	87	93
Others	1,485	2,003
	774,847	777,767
	=====	=====

Movements in impaired loans, advances and financing are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Balance at 1 January	11,499	14,553
Classified as impaired during the period/year	749	2,998
Reclassified as non-impaired during the period/year	(888)	(2,458)
Amounts recovered	(561)	(2,458)
Amounts written off	-	(1,136)
At 31 March 2011	10,799	11,499
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	1.39%	1.48%
	=====	=====

14. Loans, advances and financing (continued)

Movement in the allowance for impaired loans, advances and financing are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	23,946	23,946
At 31 March 2011	<u>23,946</u> =====	<u>23,946</u> =====

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
<u>Individual Assessment Allowance</u>		
At 1 January	3,419	6,527
Allowance made during the period/year	192	1,066
Amounts written off	-	(1,136)
Amounts recovered	(390)	(3,038)
At 31 March 2011	<u>3,221</u> =====	<u>3,419</u> =====

Impaired loans, advances and financing analysed by economic purposes are as follows:

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Manufacturing	4,769	5,140
Purchase of landed property - residential	5,988	6,318
Others	42	41
	<u>10,799</u> =====	<u>11,499</u> =====

15. Other assets

	Group and Bank	
	31 March	31 December
	2011	2010
	RM'000	RM'000
Interest / Income receivable	16,970	10,997
Margin placed with exchange	4,346	3,245
Derivatives	1,336,095	1,398,112
Other debtors, deposits and prepayments	921,981	371,642
	<u>2,279,392</u>	<u>1,783,996</u>
	=====	=====

16. Deposits from customers

	Group		Bank	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Demand deposits	1,309,727	1,606,341	1,309,747	1,606,361
Savings deposits	14,172	10,359	14,172	10,359
Fixed deposits	1,243,283	708,157	1,243,283	708,157
Other deposits	3,134,306	3,100,446	3,134,306	3,100,446
Negotiable instruments of deposits	85,600	85,600	85,600	85,600
	<u>5,787,088</u>	<u>5,510,903</u>	<u>5,787,108</u>	<u>5,510,923</u>
	=====	=====	=====	=====

The maturity structure of fixed deposits, other deposits and negotiable instruments of deposit, are as follows:-

	Group		Bank	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Due within six months	2,394,552	2,041,152	2,394,552	2,041,152
More than six months to one year	227,492	85,859	227,492	85,859
More than one year to three years	1,190,409	1,166,376	1,190,409	1,166,376
More than three years to five years	500,736	360,000	500,736	360,000
More than five years	150,000	240,816	150,000	240,816
	<u>4,463,189</u>	<u>3,894,203</u>	<u>4,463,189</u>	<u>3,894,203</u>
	=====	=====	=====	=====

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Business enterprises	2,931,163	3,011,383	2,931,183	3,011,403
Individuals	50,856	50,364	50,856	50,364
Foreign customers	123,988	78,078	123,988	78,078
Others	2,681,081	2,371,078	2,681,081	2,371,078
	<u>5,787,088</u>	<u>5,510,903</u>	<u>5,787,108</u>	<u>5,510,923</u>
	=====	=====	=====	=====

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Other financial institutions	1,543,894	1,265,895
	<u>1,543,894</u>	<u>1,265,895</u>
	=====	=====

18. Other liabilities

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Interest payable	7,125	3,270
Bills payable	89,597	134,357
Derivatives	1,241,448	1,411,366
Employee benefits	10,298	27,828
Other liabilities	711,056	447,253
	<u>2,059,524</u>	<u>2,024,074</u>
	=====	=====

19. Interest income

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	6,816	6,563	6,816	6,563
Money at call and deposit placements with financial institutions	5,057	4,601	5,057	4,601
Securities purchased under resale agreement	36,264	26,109	36,264	26,109
Financial assets held for trading	26,536	6,767	26,536	6,767
Others	50	-	50	-
	<u>74,723</u>	<u>44,040</u>	<u>74,723</u>	<u>44,040</u>
	=====	=====	=====	=====
Of which:				
Interest income earned on impaired loans, advances and financing	192	410	192	410
	=====	=====	=====	=====

20. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,639	527	1,639	527
Obligations on securities sold under repurchase agreement	19,563	7,434	19,563	7,434
Deposits from customers	13,748	12,058	13,748	12,058
	<u>34,950</u>	<u>20,019</u>	<u>34,950</u>	<u>20,019</u>
	=====	=====	=====	=====

21. Non-Interest Income

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	4,333	1,382	4,333	1,382
Service charges and fees	1,205	2,153	1,205	2,153
Guarantee fees	948	341	948	341
	<u>6,486</u>	<u>3,876</u>	<u>6,486</u>	<u>3,876</u>
	-----	-----	-----	-----
Gains/(losses) arising from sale of financial assets held -for- trading	(9,657)	5,264	(9,657)	5,264
Net gains arising from trading in derivatives	18,176	49,885	18,176	49,885
Net unrealised gains/(losses) on revaluation of trading portfolio (including derivatives)	1,021	(72,659)	1,021	(72,659)
Net gains arising from dealing in foreign exchange	99,709	27,904	99,709	27,904
Unrealised losses from foreign exchange	(56,617)	(16,055)	(56,617)	(16,055)
Gross dividends from securities held-to-maturity	15	-	15	-
Other operating income, net	1,943	1,840	1,943	1,840
	<u>54,590</u>	<u>(3,821)</u>	<u>54,590</u>	<u>(3,821)</u>
	-----	-----	-----	-----
	<u>61,076</u>	<u>55</u>	<u>61,076</u>	<u>55</u>
	=====	=====	=====	=====

22. Other operating expenses

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
-Salaries, allowances and bonuses	14,551	14,037	14,551	14,037
-Others	2,897	3,173	2,897	3,173
Establishment costs				
-Rental	677	678	677	678
-Depreciation	396	499	396	499
-Others	812	1,050	812	1,050
Marketing expenses	671	360	671	360
Administration and general expenses				
-Intercompany expenses	10,072	7,836	10,072	7,836
-Communication	376	304	376	304
-Others	1,420	1,727	1,420	1,727
	<u>31,872</u>	<u>29,664</u>	<u>31,872</u>	<u>29,664</u>
	-----	-----	-----	-----
	<u>61,076</u>	<u>55</u>	<u>61,076</u>	<u>55</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 150 (March 2010 - 149).

23. Allowance for impairment on loans, advances and financing

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired on loans, advances and financing:				
Individual assessment allowance	(192)	(410)	(192)	(410)
Impaired loans and financing recovered	390	893	390	893
	<u>198</u>	<u>483</u>	<u>198</u>	<u>483</u>
	=====	=====	=====	=====

24. Contingent Liabilities

As at 31 March 2011, there is a litigation in process against the Bank arising from an action by two companies, seeking specific damages amounting to RM1 million and general damages for which the amount is not quantifiable at this stage.

The information usually required by FRS137, Provision, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The Bank intends to defend the action. Accordingly, no provision has been made in respect of this litigation.

25. Capital adequacy

	Group and Bank	
	31 March	31 December
	2011	2010
	RM'000	RM'000
Components of Tier 1 and Tier 2 capital are as follows:-		
Tier 1 capital		
Paid-up share capital	173,599	173,599
Share premium	357,763	357,763
Statutory reserve	174,722	174,722
Retained profits	630,790	630,790
Less: Deferred tax assets	(55,555)	(55,555)
	<hr/>	<hr/>
Total Tier 1 capital	1,281,319	1,281,319
Tier 2 capital		
Collective assessment allowance	23,946	23,946
	<hr/>	<hr/>
Total Capital	1,305,265	1,305,265
Less: Investments in subsidiary companies	(20)	(20)
	<hr/>	<hr/>
Capital base	1,305,245	1,305,245
	<hr/> <hr/>	<hr/> <hr/>
Core capital ratio	15.36%	16.89%
Risk-weighted capital ratio	15.65%	17.20%
	<hr/> <hr/>	<hr/> <hr/>

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2011 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	4,364,420	111,960	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	999,033	999,033	490,154	39,212
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	673,919	673,918	624,840	49,988
	Regulatory Retail	525	525	394	32
	Residential Mortgages	28,162	28,162	10,015	801
	Higher Risk Assets	-	-	-	-
	Other Assets	126,271	126,271	123,705	9,896
	Equity Exposure	9,008	9,008	7,909	633
	Defaulted Exposures	7,579	7,579	7,579	606
	Total On-Balance Sheet Exposures	6,208,917	1,956,456	1,264,596	101,168
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	5,246,460	5,142,385	2,315,500	185,240
	Credit Derivatives	48,414	6,586	3,293	263
	Total for Off-Balance Sheet Exposures	5,294,874	5,148,971	2,318,793	185,503
	Total On and Off- Balance Sheet Exposures	11,503,791	7,105,427	3,583,389	286,671

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2011 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
2	Large Exposures Risk Requirements	-		-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	141,736,472	134,996,783		3,504,433	280,355
	Foreign Currency Risk	150,010	235,271		235,275	18,822
	Options	70,604	0		513,963	41,117
		141,957,086	135,232,054		4,253,671	340,294
4	Operational Risk				503,532	40,283
5	Total RWA and Capital Requirements				8,340,592	667,248

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for 2010 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u><i>On-Balance Sheet Exposures</i></u>				
	Sovereigns/Central Banks	2,884,805	111,831	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	428,168	428,168	203,982	16,319
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	684,085	684,065	659,528	52,762
	Regulatory Retail	589	589	442	35
	Residential Mortgages	28,889	28,889	10,296	824
	Higher Risk Assets	-	-	-	-
	Other Assets	94,094	94,094	92,032	7,363
	Equity Exposure	9,104	9,104	8,006	640
	Defaulted Exposures	8,080	8,080	8,080	646
	Total On-Balance Sheet Exposures	4,137,814	1,364,820	982,366	78,589
	<u><i>Off-Balance Sheet Exposures</i></u>				
	OTC Derivatives	4,825,907	4,769,753	1,990,120	159,210
	Credit Derivatives	49,336	6,574	3,287	263
	Total for Off-Balance Sheet Exposures	4,875,243	4,776,327	1,993,407	159,473
	Total On and Off- Balance Sheet Exposures	9,013,057	6,141,147	2,975,773	238,062

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for 2010 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000	RM'000			
2	Large Exposures Risk Requirements	-		-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	132,059,895	125,846,824		3,218,134	257,451
	Foreign Currency Risk	392,470	105,584		392,470	31,397
	Options	650,434	-		462,887	37,031
		133,102,799	125,952,408		4,073,491	325,879
4	Operational Risk				537,600	43,008
5	Total RWA and Capital Requirements				7,586,864	606,949

25. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2011 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	137,920	-	-	-	-	-	-	-	2,566	20	140,506	-	
20%	-	-	2,280,010	-	52,306	-	-	-	-	1,348	2,333,664	466,733	
35%	-	-	-	-	-	-	26,808	-	-	-	26,808	9,383	
50%	-	-	2,918,507	-	74,227	-	1,354	-	-	-	2,994,088	1,497,044	
75%	-	-	-	-	-	525	-	-	-	-	525	394	
100%	-	30,400	6,743	362	1,435,600	-	5,386	-	123,705	7,640	1,609,836	1,609,835	
150%	-	-	-	-	-	-	-	-	-	-	-	-	
Total Exposures	137,920	30,400	5,205,260	362	1,562,133	525	33,548	-	126,271	9,008	7,105,427	3,583,389	
Risk-Weighted Assets by Exposures	-	30,400	1,921,998	362	1,483,176	394	15,445	-	123,705	7,909	3,583,389		
Average Risk Weight	-	100.0%	36.9%	100.0%	94.9%	75.0%	46.0%	0%	98.0%	87.8%	50.4%		
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	

25. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 2010 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 141,118	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 2,062	RM'000 20	RM'000 143,200	RM'000 -
20%	-	-	2,227,906	-	27,117	-	-	-	-	1,348	2,256,371	451,274
35%	-	-	-	-	-	-	27,658	-	-	-	27,658	9,680
50%	-	-	2,320,444	-	76,229	-	1,231	-	-	-	2,397,904	1,198,952
75%	-	-	-	-	-	589	-	-	-	-	589	442
100%	-	30,400	8,442	500	1,170,599	-	5,716	-	92,032	7,736	1,315,425	1,315,425
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	141,118	30,400	4,556,792	500	1,273,945	589	34,605	-	94,094	9,104	6,141,147	2,975,773
Risk-Weighted Assets by Exposures	-	30,400	1,614,245	500	1,214,137	442	16,011	-	92,032	8,006	2,975,773	
Average Risk Weight	-	100.0%	35.4%	100.0%	95.3%	75.0%	46.3%	0.0%	97.8%	87.9%	48.5%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

25. Capital adequacy (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows:

31 March 2011 Group and Bank	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000
Direct Credit Substitutes	130		130	130
Transaction Related Contingent Items	650,959		325,480	278,741
Short Term Self Liquidating Trade Related Contingencies	115,341		23,068	17,998
Foreign exchange related contracts				
One year or less	15,886,386	180,039	378,863	164,153
Over one year to five years	7,215,820	203,981	665,004	292,220
Over five years	4,642,556	413,549	975,616	500,742
Interest/Profit rate related contracts				
One year or less	22,844,147	28,390	68,608	15,205
Over one year to five years	48,061,850	298,348	1,406,005	389,015
Over five years	13,108,420	206,169	1,037,718	327,137
Equity related contracts				
One year or less	242,573	1,650	25,907	13,120
Over one year to five years	1,054,241	3,071	129,701	64,851
Over five years	-	-	-	-
Credit Derivative Contracts				
One year or less	-	-	-	-
Over one year to five years	48,414	898	6,586	3,293
Over five years	-	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-		-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year			-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year			-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,260,940	-	252,188	252,188
Total	115,131,777	1,336,095	5,294,874	2,318,793

25. Capital adequacy (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows (continued):

31 December 2010 Group and Bank	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000
Direct Credit Substitutes	130		130	130
Transaction Related Contingent Items	659,330		329,665	274,870
Short Term Self Liquidating Trade Related Contingencies	96,414		19,283	13,743
Foreign exchange related contracts				
One year or less	13,969,651	217,455	365,175	156,652
Over one year to five years	6,557,114	194,431	601,886	241,074
Over five years	4,523,770	409,746	962,585	497,521
Interest/Profit rate related contracts				
One year or less	23,946,381	47,018	83,232	18,564
Over one year to five years	42,633,653	283,844	1,282,927	376,926
Over five years	13,031,600	182,232	1,076,976	336,439
Equity related contracts				
One year or less	159,726	626	19,794	10,694
Over one year to five years	954,115	61,892	118,113	59,056
Over five years	72,401	214	8,902	4,451
Credit Derivative Contracts				
One year or less	-	-	-	-
Over one year to five years	49,336	654	6,574	3,287
Over five years	-	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-		-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-		-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,255,921	-	-	-
Total	107,909,542	1,398,112	4,875,242	1,993,407

26. The Operations of Islamic Banking

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011 – UNAUDITED

	Note	Bank	
		31 March 2011 RM'000	31 December 2010 RM'000
Assets			
Cash and short term funds	(a)	914	54,065
Financial assets held-for-trading	(b)	54,730	-
Other assets		-	439
Total assets		<u>55,644</u>	<u>54,504</u>
Liabilities and shareholders' funds			
Deposits from customer	(c)	8,463	8,123
Deposits and placements of banks and other financial institutions	(d)	19,857	19,893
Other liabilities	(e)	462	8
Taxation		466	371
Total liabilities		<u>29,248</u>	<u>28,395</u>
Capital funds		25,000	25,000
Retained profits		1,396	1,109
Islamic banking funds		<u>26,396</u>	<u>26,109</u>
Total liabilities and Islamic banking funds		<u>55,644</u>	<u>54,504</u>
Commitments and contingencies		-	-

26. The operations of Islamic Banking (continued)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2010 - UNAUDITED**

	Bank 1st Quarter Ended	Bank 1st Quarter Ended
	31 March 2011 RM'000	31 March 2010 RM'000
Income derived from investment of Islamic banking funds	381	240
Profit before taxation	381	240
Taxation	(95)	(60)
Profit after taxation	286	180

**STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011**

	Capital funds RM'000	Retained profits RM'000	Total RM'000
At 1 January 2011	25,000	1,109	26,109
Profit after taxation	-	286	286
At 31 March 2011	25,000	1,395	26,395
At 1 January 2010	25,000	253	25,253
Profit after taxation	-	180	180
At 31 March 2010	25,000	433	25,433

26. The operations of Islamic Banking (continued)

**STATEMENT OF CASH FLOW
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011**

	31 March 2011 RM'000	31 March 2010 RM'000
Cash flows from operating activities		
Profit before taxation	381	240
Operating profit before working capital changes	381	240
Changes in working capital:		
Increase in operating assets	(54,291)	(12,492)
Decrease in operating liabilities	759	22,950
Net cash generated from operations	(53,151)	10,698
Net cash used in investing activity	-	-
Net change in cash and cash equivalents	(53,151)	10,698
Cash and cash equivalents at beginning of period	54,065	31,231
Cash and cash equivalents at end of period	914	41,929
Analysis of cash and cash equivalents		
Cash and short term funds	914	41,929

26. The operations of Islamic Banking (continued)

Shariah Committee

The Shariah Committee was established under BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise the Board of Directors on Shariah matters in its Islamic business operations and to provide technical assistance in ensuring the Islamic banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The committee comprises: Dr Hussein Hamed Sayed Hassan and Dr Muhammad Qaseem .

Basis of measurement

The financial statements of the Islamic banking business have been prepared on the basis consistent with that of the Group and of the Bank as disclosed in Note 1 to the financial statements of the Group and of the Bank and have been prepared under the accrual basis of accounting.

(a) Cash and short term funds

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Cash and balances with banks and other financial institutions	914	2,065
Money at call and deposit placements maturing within one month	-	52,000
	914	54,065
	=====	=====

(b) Financial assets held-for-trading

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
At fair value		
Bank Negara Malaysia Bills	54,730	-
	=====	=====

(c) Deposits from customer

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Non-Mudharabah		
Demand deposits	8,463	8,123
	8,463	8,123
	=====	=====

26. The operations of Islamic Banking (continued)

(d) Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Licensed bank	19,857	19,893
	19,857	19,893
	19,857	19,893

(e) Other liabilities

	Group and Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Bills payable	109	8
Others	353	-
	462	8
	462	8

26. The operations of Islamic Banking (continued)

(f) Capital adequacy

The capital adequacy ratios of the Islamic banking business of the Group are computed in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). The Group's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

Components of Tier I and Tier II Capital:

	Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Retained profits	1,395	1,109
	26,395	26,109
Total Tier 1 capital		
Total Tier 2 capital	-	-
	26,395	26,109
Capital base	26,395	26,109
Core capital ratio	1422.24%	1354.20%
Risk-weighted capital ratio	1422.24%	1354.20%

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2011 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk Islamic Window	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	692	692	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	222	222	111	9
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	-	-	-	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	Total On-Balance Sheet Exposures	914	914	111	9
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-
	Total On and Off- Balance Sheet Exposures	914	914	111	9

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
	Large Exposures Risk Requirements	-		-	-	-
	Market Risk	Long Position	Short Position			
	Profit Rate Risk	-	-		-	-
	Foreign Currency Risk	-	-		-	-
	Options	-	-		-	-
	Operational Risk				1,745	140
	Total RWA and Capital Requirements				1,856	149

26. The operations of Islamic Banking (continued)**(g) Capital adequacy (continued)**

The breakdown of credit risk exposures by risk weights as at 31 March 2011 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	692	-	-	-	-	-	-	-	-	-	692	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	222	-	-	-	-	-	-	-	222	111
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	692	-	222	-	-	-	-	-	-	-	914	111
Risk-Weighted Assets by Exposures	-	-	111	-	-	-	-	-	-	-	111	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	-	-	50.0%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2010 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk Islamic Window	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	53,850	53,850	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	216	216	108	9
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	432	432	432	35
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	Total On-Balance Sheet Exposures	54,498	54,498	540	44
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-
	Total On and Off- Balance Sheet Exposures	54,498	54,498	540	43

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
	Large Exposures Risk Requirements			-	-	-
	Market Risk	Long Position	Short Position			
	Profit Rate Risk	-	-		-	-
	Foreign Currency Risk	-	-		-	-
	Options	-	-		-	-
	Operational Risk				1,388	111
	Total RWA and Capital Requirements				1,928	154

26. The operations of Islamic Banking (continued)**(g) Capital adequacy (continued)**

The breakdown of credit risk exposures by risk weights as at 31 December 2010 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	53,850	-	-	-	-	-	-	-	-	-	53,850	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	216	-	-	-	-	-	-	-	216	108
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	432	-	432	432
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	53,850	-	216	-	-	-	-	-	432	-	54,498	540
Risk-Weighted Assets by Exposures	-	-	108	-	-	-	-	-	432	-	540	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	100.0%	-	1.0%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-